

NUMBER 12

W. M. Secretary

THE Winnipeg Grain Exchange and the Farmers.

Measures to Promote Adequate Payments to Grain Producers
Consistently Supported and Advocated by the
Grain Trade

The opposition of the Winnipeg Grain Exchange and of prominent grain traders to the Canadian Grain Board Bill, in the form it was originally introduced in Parliament and sent to a Special Committee, has been made the pretext for representing the Grain Trade as being antagonistic to the interests of the producers.

The provisions in the original Bill for compulsory marketing of grain by a Canadian Grain Board, combined with the system of initial payments and participation certificates (that is, for a compulsory grain pool) and for the virtual confiscation of the property and machinery of the grain trade to the use of the Board, were opposed by the representatives of the Winnipeg Grain Exchange and the trade. But the President of the Exchange and all other members of the Grain Trade who gave evidence before the Special Committee specifically advocated measures to secure reasonable payments to producers, whatever might be the level of international grain prices. It should be emphasized that the Grain Trade representatives were the first witnesses to appear before the Committee.

In his evidence before the Committee on June 20th, Roy W. Milner, president of the Winnipeg Grain Exchange, in an official statement, said:

"As the agents of the producers in the storing, transportation and merchandising of their grain the interest of grain traders, indeed their very existence, depends upon the maintenance of the farmers in as sound and prosperous a condition as can be attained.

"The members of the Exchange are vitally concerned to secure for grain growers the largest possible return for their crops, to develop and maintain the widest and most remunerative markets for their grain and grain products, to keep the costs of handling and merchandising within the most reasonable limits and to assist by the provision of the most efficient and economical machinery for these purposes in meeting the competition offered by other grain producing countries.

"The Winnipeg Grain Exchange realizes the gravity of the present situation but feels that the sooner a policy is adopted of selling our grain cheap in the open market at prices that will find purchasers in the markets of the world in competition with the grain of other countries the sooner will the present difficulties disappear. In the meantime it may be necessary to subsidize the producers either by some system of price support or by other means, and in that case the Winnipeg Grain Exchange will continue to co-operate with the Government."

In the course of examination by the Chairman and members of the Committee, Mr. Milner expressed himself as being in favor of subsidizing the producers if world wheat prices declined and of establishing a minimum price to be paid to growers.

James A. Richardson, president of James Richardson & Sons, Limited, said in his evidence:

"If our Government wants to give the farmers financial assistance under existing conditions and I would certainly like to see them do it, then there are several ways that this can be done. I consider it is possible to assure our producer a guaranteed fixed price, but still to permit an open market, so that if our market declined below the fixed price the farmer would get a certificate from the elevator company entitling him to collect the difference between the fixed price and what his wheat actually realized. The farmer might, on the other hand, if thought advisable to sell a direct subsidy. It is a government problem as to how this matter may best be met, but it must be accepted as a fact, that the foreign buyer will continue to buy wherever he can buy the most with his money, and that he will take full advantage of depreciated currencies in certain parts of the world, and it is quite futile to try and induce him to subsidize citizens of other countries.

"I would rather like to see the farmer assured of a fixed minimum price, that would give him some protection against depreciated currencies of the southern hemisphere, and a board with authority to use stabilizing influence in the market if they thought it were necessary, and to feed out our surplus wheat as and when the market would take it, and to try to allow the trade the largest possible freedom, and to act as a stabilizing factor, as an insurance and safety factor; to operate largely in that way would depend, of course, a good deal on good judgment being employed."

The evidence of Sidney T. Smith, president, Reliance Grain Co., Limited, was as follows:

"It would, in my opinion, be a good idea to establish a fixed minimum price and if wheat reached that figure and there were no other buyers the government agency should take the wheat offered, but would continue to sell wheat at international prices and if the international price were higher than the minimum price the Board would, of course, not require to make purchases. I do not suggest that this Board attempt to dispose of the accumulation of the past five or six years by dumping it on the market and thereby risk a chaotic break in prices, but I suggest that there be a stabilization policy through the open market and that this surplus wheat be fed into the market from time to time as conditions may permit."

Robert McKee, General Manager, Canada Grain Export Company, Limited, representing the Vancouver Grain Exchange, said:

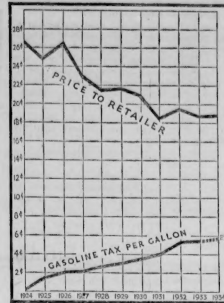
"We recognize further that until private traders shall have been encouraged to resume active trading in wheat in forward positions as was done prior to the government's participation in the market, some market support from time to time may be necessary to handle smoothly the large crop without unreasonable price declines."

Every representative of the Grain Trade urged the giving of assistance to wheat producers if the international price level were disadvantageous to them. They were unanimous in expressing approval, if the Special Committee and Parliament saw fit to adopt them, of the proposals ultimately embodied in the Canadian Grain Board Act for the payment of a minimum price to farmers, the continuance in operation of the existing grain marketing machinery and the gradual liquidation of the Canadian wheat surplus. These proposals were accepted by Parliament largely on recommendation of the Grain Trade, the compulsory features originally proposed being withheld from operation until made effective by proclamation.

No attempt to represent the Winnipeg Grain Exchange and its members as antagonistic to the producers' interest can be successful in face of the adoption by Parliament of these measures and of the evidence given by the representatives of the Exchange and the Grain Trade, as quoted above from the official record.

THE WINNIPEG GRAIN EXCHANGE

YOU BUY ROADS, TOO!



The accompanying chart shows how the price of gasoline to the retailer has decreased and the gasoline tax has increased since 1924. In 1924 the average price to the retailer of all gasoline sold in Canada was 25.6 cents per gallon. Since 1924, the price has fallen almost continuously until in 1933 and 1934 it stood at the unprecedented low of 18.6 cents—a decrease of 29 per cent. But as the price of gasoline fell, the tax on gasoline rose. The data for this graph are based on figures published by the Dominion Bureau of Statistics.

WHEN you buy gasoline, you also buy roads over which to drive your car.

Approximately one-fifth to one-third of the price you pay goes directly to your Provincial Government in road tax.

Twelve years ago there was no gasoline tax. Today the tax ranges from six to eight cents per gallon. And yet the cost of gasoline to you is no more because during those twelve years the price of gasoline has been steadily reduced.

Imperial Oil played a leading part in the developments that made lower prices possible. But lower prices were not achieved at the expense of labor. Imperial Oil employees have always been well paid. They work under ideal conditions. They have sickness and death benefits and pensions plans to protect them and their dependents. Five thousand of them are part owners of the Company. They are given every incentive to work efficiently and happily. The result has been better gasoline at lower and lower prices.

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Size 3 to 7 per pair **1.85**

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Complete Stock
New colors per packet **15c**

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Pure Irish Linen
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Men's Watson Gloves

Moose hide with roper cuff
All sizes per pair **99c**

Men's Summer Caps

Light Weight
Unlined with leather band each **40c**

Pineapple Marmalade

Aylmer brand, 4 lb. pail each **57c**

Apple Flakes

Equal to fresh per pkt **25c**

Miracle Yeast

Pure, dry, fast rising pkt **10c**

Corn Starch

Durham brand per pkt **10c**

Shredded Wheat

2 packets **21c**

Jelly Powders, De Lux

All flavors 6 for **29c**

Laundry Soap, Pearl

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2 lbs for **23c**

Flour, Alberta Rose, 49 lb.

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Mustard, Libbys Prepared

Jars each **11c**

Skim Cheese

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